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TFSC-M-27
24 June 1960

MEMORANDUM FOR: Executive Secretary, EIC

SUBJECT: Annual Report, FY '60 of the EIC Subcommittee
on International Trade and Finance.

REFERENCE: EIC-D-435, 31 May 1960.

A. Activities of the Subcommittee During the Fiscal Year.

1. Review of the Intelligence Product.

The Subcommittee review and evaluation of intelligence products within its purview consisted in reviewing two papers and examining ways to increase the accessibility and usefulness of official Soviet foreign trade data. These activities are discussed under items 3, 5, and 6 below.

2. Research and Collection Deficiencies.

a. Research Deficiencies.


The Subcommittee took no action concerning research deficiencies.

b. Collection Deficiencies.

CIA/ORR statements on priority gaps in intelligence on foreign trade planning in the USSR were sent to Subcommittee members for their comments.

3. Review of Substantive Papers.

The Subcommittee informally reviewed one paper by State and discussed informally the factual data and analysis contained in CIA/ORR's Current Support Brief on the forthcoming Soviet currency and price reform.

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"The Sino-Soviet Bloc as a Competitor in World Markets", State, was informally reviewed by a working group of the Subcommittee and was subsequently discussed by the full Subcommittee. The contents and conclusions of CSB 60-25, "USSR Currency and Price Reform", CIA/ORR, were presented orally to the Subcommittee and were discussed by its members.

4. Review of Proposals for External Research.

The Subcommittee took no action regarding external research.

5. Maintenance of Agreed Basic Statistics.

The Subcommittee approved the joint undertaking of Commerce and CIA/ORR to reorganize and publish the data contained in the Soviet foreign trade handbook, now published annually by the USSR.

6. Projects Undertaken at the Request of EIC.

In addition to reviewing selected research reports as described in item 3, above, the Subcommittee also prepared, jointly with the Subcommittee on Transportation, a summary report, EIC-R16-S1, entitled "The Foreign Trade and Transport of Communist China in 1959".

7. Intelligence Research Techniques.

No problems in intelligence research techniques were taken up by the Subcommittee.

8. Special Coordination Functions of the Subcommittee.

Most of the Subcommittee's activities during the year involved interagency coordination. See especially items 3, 5, and 6 above.

9. Evaluation of the Role of the Subcommittee.

The past fiscal year has witnessed an extension of coordination, both formal and informal, among Subcommittee members and their activities. Close coordination among members was evident during the drafting and review of the trade section of the EIC-R16-S1 report.

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Cooperation between Commerce and CIA/ORR members in exploiting official Soviet foreign trade data will permit the future publication of these data in usable form and will increase their availability to the Government community. Meetings of the Subcommittee, although infrequent, have been marked by informal discussions of current problems of interest in Sino-Soviet Bloc economic relations. Discussion this year has shifted from its previous, almost exclusive, concern with China to include trade problems of the Sino-Soviet Bloc as a whole and to those of the three main economic regions of the Bloc.

B. Future Program of the Subcommittee.

The officers of the Subcommittee plan to propose to the members a general program for the next fiscal year in which attention will be devoted to reviewing the summaries and conclusions of several selected intelligence reports and to discussing specific topics of current interest to the Subcommittee. Prospective subjects for the agenda are a joint appraisal by the Subcommittee of the Soviet price and currency reform which is to take place in January, 1961 and an informal review of the Bloc trade contribution, prepared by CIA/ORR, to the Balance of Power study. The contribution of trade to the Soviet Seven Year Plan will also be discussed during the course of the year.

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